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DIVISION E

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED
PROGRAMS APPROPRIATIONS, 2003

In determining Congressional intent for the obligation and programming of funds for fiscal year 2003, the appropriate departments and agencies funded under this Act shall rely on House Report 107-663, the Senate report as printed in the Congressional Record of January 15, 2003, and the statement of the managers. Any ambiguity shall be resolved by consulting with the Committees on Appropriations.

TITLE I--EXPORT AND INVESTMENT ASSISTANCE

Export-Import Bank of the United States

The conference agreement appropriates \$512,900,000 for the subsidy appropriation for the Export-Import Bank.

The managers are aware of an inter-agency agreement among the Departments of State and Defense, the Export-Import Bank, and USAID that establishes reporting procedures regarding compliance with section 512 of the Act, the so-called Brooke amendment, and section 620(q) of the Foreign Assistance

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Act. The procedures provide a mechanism to share information among those agencies regarding countries that are either in arrears on loan repayments owed the United States or which may soon become in arrears. Since the provision of foreign assistance to countries in arrears is restricted by those sections, information required by these procedures is of great importance to the administration of foreign assistance funds. The managers are therefore concerned about reports that the Export-Import Bank has, in at least two instances this year, failed to provide information on arrearages in a timely fashion in accordance with its obligations under the inter-agency agreement. The managers direct the Export-Import Bank to follow the inter-agency agreement and not allow a similar lapse to occur again.

The managers endorse House report language regarding the Export-Import Bank with respect to the domestic steel market, reducing global excess steel making capacity, and subsequent reporting to the Committees on Appropriations.

Overseas Private Investment Corporation

The managers direct the President of OPIC to continue current policy and consult with the Committees on Appropriations before any future financing for non-governmental organizations or private and voluntary organizations is approved.

The managers are concerned with a number of OPIC projects involving the shrimp industry in Southeast Asia. The managers expect OPIC to consult with the appropriate Congressional committees on this issue.

3 Funds Appropriated to the President
Trade and Development Agency

The conference agreement appropriates \$47,012,000 for the Trade and Development Agency (TDA) instead of \$49,512,000 as proposed by the House and \$44,696,000 as proposed by the Senate. The level of funding includes an additional \$2,500,000 for trade capacity building assistance instead of \$5,000,000 as proposed by the House. The Senate did not address the issue of trade capacity building assistance.

TITLE II--BILATERAL ECONOMIC ASSISTANCE

Frequency of Executive Branch Reports on Country Allocations

The managers insist that the Department of State and the United States Agency for International Development comply with the provisions of section 653 of the Foreign Assistance Act of 1961, as amended, regarding the frequency of notifications regarding the allocation of foreign assistance. Enactment of any supplemental appropriations act for foreign assistance requires an additional notification under section 653. When feasible, the Department of State is

expected to include amounts from the Migration and Refugee Assistance and Emergency Refugee and Migration Assistance accounts. USAID is expected to include International Disaster Assistance and Transition Initiatives amounts for each country.

In addition, the Department of State and USAID are requested to provide comparable information on regional and centrally-administered programs, and to consult in advance with the relevant committees of Congress regarding reductions in excess of \$20,000,000 or ten percent of previously reported amounts for a foreign country, international organization, or regional program.

Compliance with Report Language

The managers note that at times in the past, the Department of State and USAID have failed to respond to recommendations in the House and Senate Appropriations Committee reports, choosing instead to recognize only language in the statement of the managers accompanying the conference report. The managers expect the Department of State and USAID to follow the recommendations in the House and Senate reports, unless those recommendations are modified in the statement of the managers. In the event that the House and Senate Appropriations Committee reports contain conflicting recommendations on the same subject, the managers expect the Department of State, USAID, and other appropriate agencies

to consult with the House and Senate Appropriations Committees regarding those recommendations.

United States Agency for International Development

Child Survival and Health Programs Fund

The conference agreement appropriates \$1,836,500,000 for the Child Survival and Health Programs Fund instead of \$1,710,000,000 as proposed by the House and \$1,970,000,000 as proposed by the Senate.

The conference agreement includes language allocating \$1,836,500,000 among seven program categories in the Child Survival and Health Programs Fund: \$324,000,000 for child survival and maternal health, including vaccine-preventable diseases such as polio; \$27,000,000 for vulnerable children; \$591,500,000 for HIV/AIDS; \$155,500,000 for other infectious diseases; \$368,500,000 for reproductive health/family planning; \$120,000,000 for UNICEF; and \$250,000,000 for the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global ATM Fund). The Committee expects that any change proposed subsequent to the allocation as directed in bill language will be subject to the requirements of section 515 of the Act. A definition of program categories and their components can be found on pages 9 through 11 of House Report 107-142 and under the heading "Family Planning/ Reproductive Health" on page 12 of Senate Report 107-58.

The conference agreement provides not less than \$800,000,000 for assistance to prevent and treat HIV/AIDS. Of this amount, \$591,500,000 is funded through the Child Survival and Health Programs Fund. Another \$38,500,000 is provided through other USAID-managed or co-managed accounts, such as the Economic Support Fund, International Disaster Assistance, and regional accounts for Eastern Europe and the former Soviet Union. The remaining \$170,000,000 is a conservative estimate of the amount from the Foreign Operations division of this Act that will be allocated for HIV/AIDS by the Global ATM Fund and UN agencies. The estimate of \$800,000,000 for AIDS does not include the United States share of HIV/AIDS assistance through the World Bank Group.

The managers are concerned about the growing prevalence of HIV/AIDS in countries of Eastern Europe and the Independent States of the Former Soviet Union. The managers therefore direct that funds from the Child Survival and Health Programs Fund be available for HIV/AIDS programs in Eastern Europe and the Independent States of the Former Soviet Union. The managers also encourage USAID to make available funds from this account for HIV/AIDS programs in "ESF countries" other than those for whom funds are specifically mandated in this Act.

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The conference agreement also provides a total of \$155,500,000 from the Child Survival and Health Programs Fund to combat infectious diseases other than HIV/AIDS, such as malaria and tuberculosis.

In addition, the conference agreement includes \$250,000,000 as a contribution to the Global Fund to Fight AIDS, Tuberculosis, and Malaria, bringing the total United States contribution to the fund to date to \$725,000,000. The timing of disbursement of the full \$725,000,000 is limited by language requiring that the United States contribution may not exceed the total resources provided by other donors and available for use by the Global Fund. The managers note that the President's request for the Global ATM Fund from Division E of this Act is \$100,000,000. The managers note also that, of the awards pledged thus far by the Global ATM Fund to recipient countries, approximately 65 percent are for AIDS interventions, 17 percent are for malaria interventions, and 16 percent are for tuberculosis or combined tuberculosis/AIDS interventions.

When funding through bilateral programs administered by USAID is considered together with the United States contribution to the Global ATM Fund, the conference agreement provides a total of \$120,000,000 for tuberculosis assistance. Of this amount, \$65,000,000 is funded through the Child Survival and Health Programs account, \$15,000,000 from other bilateral accounts, and

\$40,000,000 through the contribution to the Global Fund. For malaria, the conference agreement provides a total of \$115,000,000. Of this amount, it is expected that \$42,500,000 of the contribution to the Global Fund will fund malaria programs, \$65,000,000 is funded through this account, and \$7,500,000 is provided from other bilateral accounts.

The conference agreement includes bill language, proposed by the Senate, regarding the development of microbicides as a means of combating HIV/AIDS.

In addition, the conference agreement includes up to \$100,000,000 for mother and child HIV prevention and up to \$10,500,000 for a United States contribution to the International AIDS Vaccine Initiative.

The managers are concerned that little progress has been made toward the implementation of the micronutrient programs mandated by Section 3013 of P.L. 107-171 and direct USAID to implement this provision as soon as possible this fiscal year.

The managers endorse Senate report language regarding malaria, and recommend that USAID provide direct support to the Medicines for Malaria Venture and the Malaria Vaccine Initiative.

The conference agreement allocates \$368,500,000 for family planning/reproductive health within the Child Survival and Health Programs Fund, as proposed by the House, instead of \$385,000,000 as proposed by the Senate.

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The managers support \$27,500,000 for the multilateral effort to eradicate polio in fiscal year 2003, instead of \$30,000,000 as recommended in the Senate report and \$25,000,000 as recommended in the House report.

Section 522 of the conference agreement mandates that an overall total of \$446,500,000 be made available for bilateral family planning/reproductive health from this account, the Economic Support Fund, and the regional accounts for Eastern Europe and the former Soviet Union,

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The managers endorse the language of the House report with respect to the Dikembe Mutombo Foundation Congolese Hospital, Lott Carey International, and the Caribbean Epidemiology Center.

The managers endorse Senate report language regarding programs for people with disabilities, including recommendations to provide funding for Special Olympics' overseas programs and for Olympic Aid.

The managers also direct USAID to continue to provide the Committees with a detailed annual report not later than March 31, 2003, on the programs, projects, and activities undertaken by the Child Survival and Health Programs Fund during fiscal year 2002.

Funds appropriated for the Child Survival and Health Programs Fund are appropriated for programs, projects and activities. Funds for administrative expenses to manage Fund activities are provided in a separate account, with two exceptions included in the conference agreement: authority for USAID's central and regional bureaus to use up to \$150,000 from program funds for Operating Expense-funded personnel to better monitor and provide oversight of the Fund;

and, in section 522, authority to use up to \$13,500,000 to reimburse other government agencies and private institutions for professional services.

The managers are aware that significant USAID resources are directed toward support for the Global ATM Fund, both at its Geneva headquarters and in developing countries seeking or in receipt of Fund rewards. The managers have no objection to such support, but request a brief written report not later than March 15, 2003 on the extent and cost of such support, including the cost of non-USAID direct hire staff involved in such efforts. In addition, any proposed transfer of appropriations from the Child Survival and Health Programs Fund to the Department of Health and Human Services is limited to \$25,000,000 in fiscal year 2003, and such transfer, as well as any transfer to USAID Operating Expenses, under any authority other than this Act shall be subject to section 515 of this Act.

Any proposed obligations for Global Development Alliance programs, projects or activities shall be subject to the regular notification procedures of the Committees on Appropriations.

Development Assistance
~~(Including transfer of funds)~~

The conference agreement appropriates \$1,389,000,000 for "Development Assistance" instead of \$1,398,000,000 as proposed by the House and \$1,365,500,000 as proposed by the Senate.

The managers have agreed to provide \$218,000,000 for basic education, including adult literacy programs, under the development assistance account, as proposed by the House bill, instead of \$200,000,000 as proposed by the Senate amendment. In addition, \$32,000,000 should be derived from other accounts. The managers endorse the language of the House report with regard to Alfalit International.

The conference agreement includes a provision, similar to a Senate amendment, which provides that \$100,000,000 shall be made available for drinking water supply projects and related activities. The managers request that USAID report within 90 days of enactment of this Act on plans for the disbursement of these funds.

The conference agreement provides that, of the funds for agriculture and rural development programs, \$25,000,000 should be provided for plant biotechnology research and development.



The managers support programs that conserve energy and promote efficient energy production and distribution in developing countries. The conference agreement provides in section 555 that \$175,000,000 should be made available for these programs. The conference agreement does not include a Senate earmark of \$13,000,000 for USAID's Office of Energy and Information Technology. However, the managers are concerned that USAID is not devoting sufficient resources to promoting renewable ^{clean} energy ~~and efficient energy technology~~, of which the United States is the leading ^{ies} manufacturer. The managers are also concerned that funding for USAID's Office of Energy and Information Technology has declined, and that it does not have the staff to adequately address the energy challenges and opportunities in developing countries with rapidly growing populations. The managers recommend additional funding and enhanced staffing for this office in fiscal year 2003.

The managers endorse both the House report and Senate report language on the Institute for Liberty and Democracy (ILD), and strongly recommend that not less than \$6,000,000 be made available for the ILD in fiscal year 2003. The managers also endorse the language of the House report with respect to the Education for Development and Democracy Initiative (EEDI), and women's inheritance rights in Africa.

The managers direct that not less than \$500,000 be made available for the United States Telecommunications Training Institute, a long-standing and successful program that provides communications and broadcasting training to professionals around the world. The Senate amendment included bill language mandating that such funds be made available for this purpose. The House bill did not address this matter.

The conference agreement provides that \$18,000,000 should be made available for the American Schools and Hospitals Abroad program. The Senate amendment included bill language stating that \$19,000,000 should be made available for this purpose. [in section 554]

The conference agreement includes language directing that USAID should make available \$145,000,000 for programs and activities that directly protect biodiversity. The managers strongly support these efforts and expect these funds to be used to protect tropical forests, including support of projects to deter illegal logging in Indonesia, Central Africa and elsewhere, and other threatened biologically diverse areas, both terrestrial and marine. Of this amount, up to \$40,000,000 may be available for the subsidy cost of modifying loans and loan guarantees, pursuant to the provisions of the Tropical Forest Conservation Act of 1998. The managers commend the Administration for its Congo Basin Forest Initiative and expect full funding

to be made available for the Central African Regional Program for the Environment.

The managers note the Committees' history of commitment to USAID's Office of Women in Development. The managers conclude that the office is currently an underutilized resource at the Agency, and are disappointed with the lack of commitment the Agency has shown to it. The managers are also disappointed that USAID over many years has consistently failed to fully comply with Congressional direction to provide the WID office with adequate financial resources and skilled personnel.

The managers are aware of the ways in which development challenges affect men and women differently. For instance, in recent years, there has been widespread recognition of the importance of investments in educating girls and the unique obstacles to educating girls in developing societies. The managers expect that much of the work on these issues, as well as the funding for these types of interventions, should be derived from bureau and mission program funds. An example of bureau and mission funded activities would be women's leadership training programs, on behalf of which the managers endorse the language and report requirement included in the House report.

The managers urge USAID to increase the capacity of the Bureau for Policy and Program Coordination, in collaboration with the WID office, to provide agency-wide leadership to integrate concerns of women in development strategies, an especially important function as USAID devises new agriculture and trade strategies. The WID office should have the budget, appropriately skilled personnel, and flexibility to consult with overseas missions on country programs, determine the need for better women's integration strategies in each of the functional and regional bureaus and country and regional missions, provide technical assistance in strategic planning as necessary, and offer incentive funds to missions to undertake new gender integration initiatives. The managers remain concerned about the ability of the WID office to have agency-wide impact from its current location within the Bureau for Economic Growth, Agriculture and Trade, and urge the Agency to take all possible steps to alleviate these concerns. The managers direct the Administrator to report to the Committees on Appropriations no later than 120 days after the enactment of this Act on steps taken to address these concerns and recommendations.

The managers strongly support the fertilizer-related research and development being conducted by the International Fertilizer Development Center (IFDC) and urge USAID to make at least \$4,000,000 available to

IFDC, including not less than \$2,300,000 for its core grant, as provided under the Senate amendment and in the House report.

The conference agreement does not include Senate language that USAID should fund programs to provide alternative livelihoods for Vietnamese coffee growers. The managers are deeply concerned with the situation that confronts impoverished Vietnamese coffee farmers, and have been informed that USAID is already engaged in these types of activities. The managers urge USAID to expand these activities and other job-creation efforts in Vietnam. Additionally, the managers endorse the Senate report language on the coffee crisis. The managers also endorse Senate report language regarding Laos.

The managers endorse House report language directing the Secretary of State to initiate discussions with Mexico regarding the Revillagigedo Islands.

International Disaster Assistance

The conference agreement appropriates \$290,000,000 for "International Disaster Assistance" as proposed by the Senate, instead of \$315,500,000 as proposed by the House. Of this amount, not less than \$60 million above the request is appropriated only for Afghanistan, and an additional \$25,000,000 is expected to be made available for Afghanistan.

The director of the Office of Foreign Disaster Assistance is to consult with the Committees not less than every three months, on the current status of commitments, obligations, and expenditures by the Office and on any proposals to augment "International Disaster Assistance" by transfers from other accounts.

Transition Initiatives

The conference agreement appropriates \$50,000,000 for "Transition Initiatives" to support USAID's Office of Transition Initiatives (OTI). The House bill proposed \$40,000,000 and the Senate amendment \$55,000,000 for this account.

Development Credit Authority

(Including Transfer of Funds)

The conference agreement does not include a Senate earmark of \$4,000,000 to support urban programs. However, the managers note the rapid population growth and increasing poverty in cities in developing countries and urge USAID to expand its use of the Development Credit Authority to address these growing urban needs.

Operating Expenses of the United States Agency for International Development

The conference agreement provides \$572,000,000 for Operating Expenses of the U.S. Agency for International Development, instead of \$572,200,000 as proposed by the House and \$571,087,000 as proposed by the Senate.

The managers note that events since September 11, 2001 have imposed increasing administrative costs on the programs of the U.S. Agency for International Development. In particular, these costs have been felt in the Middle East and Asia. The managers are concerned that USAID have sufficient operating expenses resources to assure the safety of its employees and their families in an increasingly dangerous environment. The managers, therefore, request that USAID submit within 90 days of enactment of this Act a report detailing these increased costs agency-wide, with particular emphasis on the Asia/Near East region. This report should include, but not be limited to, an analysis of how the Agency is using operating expenses and how operating expense costs have increased since fiscal year 2001.

The managers endorse the language of the House report with respect to the USAIDLINK program.

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Capital Investment Fund

The conference agreement appropriates \$43,000,000 as proposed by the House instead of \$65,000,000 as proposed by the Senate.

The conference agreement includes House language that authorizes the Administrator of USAID to assess fair and reasonable rental payments for the use of space by employees of other government agencies; provides that the rental payments shall be deposited into this account as offsetting collections; requires notification for the use of such offsetting collections, as well as for funds appropriated under this heading; and provides that the assignment of United States Government employees and contractors to space in buildings shall be subject to the concurrence of the Administrator of USAID.

The conference agreement ~~includes~~ ^[assumes] \$30,000,000 for a new USAID building in Nairobi, as requested by the President.

The conference agreement includes language similar to that of the Senate amendment that authorizes up to \$10,000,000 for the costs of temporary, secure facilities in Afghanistan. The managers endorse the Senate report language regarding this matter. The conference report does not contain Senate language that provided not less than \$13,000,000 for

information technology and related capital investments. The House bill did not address these matters.

Operating Expenses of the United States Agency for International
Development

Office of Inspector General

The conference agreement appropriates \$33,300,000 for Operating Expenses of the United States Agency for International Development, Office of Inspector General, instead of \$33,046,000 as proposed by the Senate and \$33,700,000 as proposed by the House. The managers encourage the Inspector General to continue the policy of constructive and ongoing reviews of USAID's attempts to resolve its serious financial and human resource management and procurement challenges. The managers also request the Inspector General to inform the Committee promptly of any emerging deficiencies.

Other Bilateral Economic Assistance

Economic Support Fund

The conference agreement appropriates \$2,270,000,000 for the Economic Support Fund instead of \$2,445,000,000 as proposed by the House and \$2,260,000,000 as proposed by the Senate.

The conference agreement includes Senate language providing for the early disbursement of funds for Israel within 30 days of enactment. The House bill included this language, along with language that provided for disbursement by October 31, 2002, whichever was later.

The conference agreement does not include House language providing for \$200,000,000 in anti-terrorism assistance for Israel. The Senate amendment did not address this matter.

The conference agreement includes language that provides not less than \$200,000,000 for the Commodity Import Program in Egypt as proposed by the Senate. The House bill did not address this matter.

The managers recognize that Egypt is a vital and strategic ally of the United States and plays an important role in the Middle East peace process. However, they remain concerned about the human rights situation in Egypt, especially restrictions on freedom of expression and the promotion of

inflammatory speech by government-controlled media, as well as impediments to the development of democracy and the rule of law.

The conference agreement does not include language from the House bill that provided that not less than \$45,000,000 should be made available for Afghanistan for a variety of purposes. The Senate amendment did not address this matter under this heading. This matter is addressed under section 523 of the conference report.

The conference agreement does not include Senate language providing that \$5,000,000, in addition to funds previously allocated, should be made available for programs that bring together Arabs and Israelis, including three specified organizations. The House bill did not address this matter. However, the managers reiterate strong support for important conflict resolution programs in the Middle East as described in the House report and the Senate bill and report, including Seeds of Peace, the Arava Institute, Jerusalem International YMCA, Interns for Peace, and the CONTACT program, and expect the allocation of up to \$5,000,000 for these and similar programs.

The managers endorse the House report language regarding support for the International Arid Lands Consortium. In addition, the managers endorse the House report language regarding the Blaustein Institute for

Desert Research. The managers also endorse the House and Senate report language on the International Crisis Group and the Foundation for Environmental Security and Sustainability.

The conference agreement also includes language that provides that not less than \$250,000,000 should be made available for assistance for Jordan. The Senate language would have mandated this level of support. The House bill did not address this matter.

The conference agreement does not contain Senate language providing that not less than \$75,000,000 should be provided for the West Bank and Gaza. However, it includes language similar to that in the Senate amendment authorizing up to \$1,000,000 for further legal reforms, including judicial training on commercial disputes and ethics. The managers request that USAID consult with the Committees on Appropriations on plans for the disbursement of funds.

The managers also endorse the House report language in support of a joint proposal of Al Quds University and the Kuvvin Center for Infectious and Tropical Diseases of the Hebrew University in Jerusalem to establish a cooperative project in health and infectious diseases for the West Bank and Gaza.

The conference agreement includes language similar to that in the Senate that provides that not less \$15,000,000 shall be available for assistance for Cyprus. The House bill had similar language, but it provided that \$15,000,000 should be made available rather than making this level mandatory.

The conference report includes language similar to that in the Senate amendment that provides not less than \$35,000,000 for assistance for Lebanon. The House bill included language that recommended this level of assistance for Lebanon, but did not include Senate language regarding child custody and international pickup orders. In addition, funding provided in this account for the Central Government of Lebanon is subject to Congressional notification. The Senate amendment would have prohibited assistance for the central government. The managers direct that funding for American educational institutions in Lebanon from the bilateral assistance program be provided in fiscal year 2003 at no less than the fiscal year 2002 level of \$3,500,000.

The managers remain concerned with the failure of the Government of Lebanon, despite repeated requests at the highest levels, to enforce the orders of Lebanese courts requiring the return of abducted American children in Lebanon. The conference agreement provides that the

Government of Lebanon should enforce the custody and international pickup orders, issued during calendar year 2001, of Lebanon's civil courts regarding abducted American children in Lebanon.

The conference agreement provides not less than \$60,000,000 under this heading for USAID programs in Indonesia. The Senate amendment had included \$150,000,000 for Indonesia from all accounts in the Act, including \$10,000,000 for programs in Aceh and not less than \$5,000,000 for reconstruction and recovery efforts in Bali. The House did not address this matter. The managers recommend \$10,000,000 for reconciliation and development programs in Aceh, and \$5,000,000 for reconstruction and recovery efforts in Bali.

The managers are outraged by continued reports of the complicity of local Indonesian military units in the murders of Americans Ted Burgon and Rick Spier in Papua last year, and call upon President Megawati Sukarnoputri to use the full authority of her office to bring to justice the perpetrators of this crime.

The managers expect USAID to adequately fund programs and activities relating to parliamentary and presidential elections scheduled in 2004. In addition, the managers recommend continued funding for activities targeted toward the professional development of provincial leaders and

institutions. The conference agreement does not include Senate language prohibiting the use of funds made available for Aceh to construct roads or other infrastructure that threatens the habitat of orangutans or other endangered species. However, the managers are concerned that plans to construct a network of roads and other infrastructure in the remaining forest habitat of orangutans and other endangered species in Aceh could rapidly doom these animals to extinction. No U.S. assistance is to be used for such activities.

The conference agreement also includes Senate language that provides that not less than \$25,000,000 shall be made available for Timor-Leste, including up to \$1,000,000, which may be transferred to and merged with Operating Expenses of the United States Agency for International Development. The House bill did not address this matter.

The conference agreement includes language similar to that in the Senate amendment that recommends that \$2,000,000 should be made available for assistance for countries to implement and enforce the Kimberley Process Implementation Scheme (KPIS). The Senate amendment would have provided \$3,500,000 for this purpose. The House bill did not address this matter. The managers support the KPIS, an international regime aimed at stopping the trade in "conflict diamonds", and urge the diamond

industry and non-governmental organizations to provide financial assistance and expertise to help implement KPIS. The managers endorse the Senate report language on this issue.

The conference agreement does not include Senate language regarding human rights programs in North Korea. This matter is addressed under section 526.

The conference agreement contains language similar to that in the Senate amendment that provides \$3,000,000 for international youth exchanges for secondary students from countries with significant Muslim ^[school] populations. The House bill did not address this matter. The managers note that the allocation of these funds will fulfill a one-year, one-time commitment to fund this program within the foreign operations budget, absent a formal budget request in the future.

The conference agreement does not contain Senate language regarding support for the provision of wheelchairs for needy persons in developing countries. This matter is addressed under "Child Survival and Health Programs Fund".

The conference agreement contains language similar to that of the Senate amendment that provides that not less than \$10,000,000 should be made available in fiscal year 2003 for a contribution to the Special Court for

Sierra Leone. The Senate amendment would have mandated this level of assistance. The House bill did not address this matter. The managers strongly support the efforts of the Court and the Truth and Reconciliation Commission to hold accountable those involved in the atrocities committed during the conflict. The managers continue to be disappointed that the State Department, during fiscal year 2002, ignored the managers' recommendation to accelerate the disbursement of United States funding for the Court to meet pressing transportation, security, and other needs. The managers expect \$10,000,000 to be disbursed in fiscal year 2003, and understand that these funds would fulfill a three-year U.S. pledge of assistance for the court.

The conference agreement includes Senate language authorizing the use of not to exceed \$200,000,000 for debt restructuring for Pakistan, and not to exceed \$15,000,000 of funds appropriated under this heading in Public Law 107-296 for debt restructuring for Jordan. The House bill did not address these matters.

International Fund for Ireland

The conference agreement appropriates \$25,000,000 as proposed by the House. The Senate amendment contained no provision on this matter.

Assistance for Eastern Europe and the Baltic States

The conference agreement appropriates \$525,000,000, instead of \$520,000,000 as proposed by the House and \$530,000,000 as proposed by the Senate.

The conference agreement includes language similar to that from the House bill that provides that \$5,000,000 shall be made available for assistance for the Baltic States. The House bill did not mandate this level of assistance. The Senate amendment did not address this matter.

The conference agreement contains language that provides that up to \$1,000,000 should be made available for training programs for Kosovar women. The Senate amendment would have mandated \$2,000,000 for such programs. The House bill did not address this matter. The managers expect sufficient funding will be provided for reconstruction, reform, and reconciliation efforts in Kosovo. They also endorse the funding level for Serbia as recommended in the Senate report.

The conference agreement contains language that provides that \$2,000,000 should be made available to enhance safety at nuclear power plants. It is intended that this nuclear safety program will entail the provision of full scope simulators. The Senate amendment would have

mandated \$5,000,000 for this purpose. The House bill did not address this matter.

The conference agreement does not include Senate language providing \$750,000 to support regional programs and activities to promote reconciliation among ethnic groups within the former Yugoslavia. However, the managers recommend that USAID consider funding for such programs that are conducted by local nongovernmental organizations.

The conference agreement includes Senate language regarding the authority of the President to withhold certain assistance for Bosnia if it has not complied with certain requirements of the Dayton Accord on the withdrawal of foreign forces, and has not terminated intelligence cooperation with state sponsors of terrorism and terrorist organizations. The House bill had similar language, but included a reference to cooperation with Iranian officials rather than state sponsors of terrorism and terrorist organizations.

The managers strongly support the funding level for Montenegro as recommended in the House report.

The managers recommend up to a total of \$5,000,000 for the Russian, Eurasian, and East European Research and Training Program (Title VIII).

The managers also endorse House report language in support of the East Central European Scholarship Program (ECESP).

Assistance for the Independent States of the Former Soviet Union

The conference agreement appropriates \$760,000,000, instead of \$755,000,000 as proposed by the House and \$765,000,000 as proposed by the Senate.

The conference agreement includes not less than \$60,000,000 for child survival, environmental and other health activities, and programs to reduce the incidence of HIV/AIDS, tuberculosis, and other infectious diseases, including \$15,000,000 for reproductive health/family planning. The managers direct the Coordinator and USAID to utilize the higher level of health funding to expand primary and advanced health programs in Central Asia, with an emphasis on reducing the incidence of tuberculosis in the region, including consideration of proposals to establish telemedicine partnerships between United States medical institutions and counterparts in Central Asia. The manager also endorse House and Senate report language regarding the Primary Healthcare Initiative and strongly recommend that not less than \$2,500,000 be made available for this program to help it to become self-sustaining.

The managers strongly support regional cooperation efforts among the countries of Armenia, Azerbaijan, and Georgia. To further regional cooperation, the conference agreement continues the current six exemptions from the statutory restrictions on assistance to the Government of Azerbaijan. The managers include a provision that funds available for the Southern Caucasus may be used for confidence-building measures and other activities related to the resolution of regional conflicts, notwithstanding any other provision of law, as proposed by the Senate.

The conference agreement includes not less than \$90,000,000 as proposed by the Senate instead of \$83,433,000 as proposed by the House, for assistance for Armenia under the heading "Assistance for the Independent States of the Former Soviet Union".

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The managers have not included a specific amount for Georgia in the conference agreement, as proposed by both the Senate and the House, but continue to support the sovereignty and territorial integrity of Georgia, and expect that the request for Georgia will be made available by the Administration. The managers encourage the Government of Georgia to take more effective measures to defend human rights and the rule of law by protecting religious minorities against mob violence. The incidence of such

The managers strongly encourage the State Department to continue discussions with the sponsors of the proposed CANDEL project and relevant Armenian authorities on the economic viability and sustainability of the project. The managers recommend that continued funding for the project's study be made available from assistance provided for Armenia in this Act.

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attacks without intervention by police or other security forces is of great concern to the Committees on Appropriations.

The managers commend USAID for its thorough review and consideration of the establishment of an Absorptive Capacity Fund (ACF) for Georgia. Given shifting priorities in that country, the managers rescind their directives in the Conference Report accompanying H.R. 4811 relating to the ACF.

The managers continue to be concerned with the murder of John Alvis, a democracy worker with the International Republican Institute, in Azerbaijan. The managers request that within 30 days of enactment of this Act, the State Department provide an update on the status of the investigation. The managers expect the State Department and relevant Azeri authorities to continue to make this investigation a top priority.

The managers endorse both Senate and House language relating to Ukraine, and reiterate concerns about violence against members of the Rada and with the reports concerning Ukraine's covert transfer of the Kulchuga radar system to Iraq. The conference agreement provides that not less than \$20,000,000 should be made available for nuclear reactor safety initiatives in Ukraine, of which \$12,000,000 should be for simulator-related projects,

and not less than \$1,500,000 for coal mine safety programs. This is similar to a Senate amendment. The House did not address this matter.

The managers endorse Senate report language regarding the study of the environmental causes of birth defects in Rivne and Volyn oblasts, and unexploded ordnance and excess weapons stockpiles in Ukraine.

The conference agreement includes conditions on assistance to the Government of the Russian Federation, with exceptions for specified humanitarian and security programs, with respect to its adherence in the Northern Caucasus to certain conventional arms and human rights conventions and agreements, as proposed by both the House and the Senate. The managers reiterate language in the Statement of the Managers from prior years with regard to other limitations on assistance, "that assistance to combat infectious diseases, ... support for regional and municipal governments, and partnerships between United States hospitals, universities, judicial training institutions and environmental organizations and counterparts in Russia should not be affected by this section."

The conference agreement continues current restrictions on United States assistance to the Government of the Russian Federation, unless it provides full access to Chechnya for humanitarian relief organizations. The managers deplore the violations of human rights by both rebels and Russian

security forces in Chechnya, as well as the forced resettlement to Chechnya of refugees who are living in appalling conditions. The managers urge the Administration to be more vigorous in pressing the Russian Government to seriously address these concerns.

The conference agreement includes language providing ~~not less than~~ \$17,500,00 for the Russian Far East, as proposed by the Senate.

The conference agreement again directs the Coordinator of Assistance to the Independent States to obligate not less than \$1,500,000, primarily through locally-based and indigenous private voluntary organizations, to reduce trafficking in women and children.

The managers note that request levels for several countries in the former Soviet Union are declining rapidly, and request that the Coordinator consult with the Committees as he works with USAID to develop new country strategies leading toward eventual graduation of these countries from the United States foreign assistance programs.

Independent Agencies

Inter-American Foundation

The conference agreement appropriates \$16,200,000 instead of \$16,000,000 as proposed by the House and \$16,385,000 as proposed by the Senate.

African Development Foundation

The conference agreement appropriates \$18,689,000 instead of \$19,689,000 as proposed by the House and \$17,689,000 as proposed by the Senate.

The conference agreement includes Senate language pertaining to earned interest.

Peace Corps

The conference agreement provides \$297,000,000 instead of \$317,000,000 as proposed by the House and \$285,000,000 as proposed by the Senate.

The managers have included House language waiving the so-called "five-year rule" of employment in the case of employees whose appointment involves the safety of ~~Peace Corps~~ volunteers, such as regional safety security officers and employees within the ~~Office of~~ Inspector General.

Department of State

International Narcotics Control and Law Enforcement

The conference agreement appropriates \$197,000,000 for International Narcotics Control and Law Enforcement as proposed by the House instead of \$196,713,000 as proposed by the Senate.

The conference agreement provides that \$10,000,000 should be made available for anti-trafficking in persons programs. The Senate amendment provided \$20,000,000 for this purpose, and the House did not address this matter.

The conference agreement also provides that \$10,000,000 should be made available for the demand reduction program, as proposed by the House. The Senate did not address this matter.

Additionally, the conference agreement includes language directing that from funds provided under this heading not less than \$5,000,000 shall be apportioned directly to the Department of the Treasury, International Affairs Technical Assistance, to be used for financial crimes and law enforcement technical assistance programs. The apportionment of these funds will allow the Department of Treasury to respond to host governments in a more expeditious manner than presently is occurring.

The managers endorse Senate and House report language regarding ILEA, and expect the administration to provide sufficient funding to complete construction on the Roswell Center.

The conference agreement makes available \$24,180,000 for administrative expenses instead of \$24,062,000 as proposed by the House and \$24,300,000 as proposed by the Senate.

Andean Counterdrug Initiative

The conference agreement appropriates \$700,000,000 for the Andean Counterdrug Initiative instead of \$731,000,000 as proposed by the House and \$650,000,000 as proposed by the Senate.

Additionally, the conference agreement allows for the authority to provide up to \$31,000,000 through a permissive transfer from the International Narcotics Control and Law Enforcement funds. Such a transfer is subject to the regular notification procedures of the House and Senate Committees on Appropriations. The managers emphasize that there are other funds for Andean nations in this Act that may be made available for the Andean Regional Initiative (ARI).

The conference agreement provides ~~that~~ not less than \$250,000,000 shall be directly apportioned to U.S. Agency for International Development,

instead of \$225,000,000 as provided in the Senate amendment. This provision was not included in the House bill.

The managers have extended the availability of funds provided for assistance for Colombia to support a unified campaign against narcotics trafficking, against activities by organizations designated as terrorist organizations, and to take actions to protect health and human welfare. This provision is identical to that in the House bill and similar to the provision included in the Senate amendment in section 563. The managers are supportive of the Colombian Government in its attempts to provide security for the Colombian people and have provided the expansion of authorities in recognition that the narcotics industry is linked to the terrorist groups, including the paramilitary organizations, in Colombia. However, the managers still conclude that coca provides the revenue and a motive for the violence committed by both the guerrilla and paramilitary groups. Therefore, the managers expect counternarcotics, alternative development, and judicial reform to remain the principal focus of United States policy in Colombia. The expanded authority is not a signal from the managers for the United States to become more deeply involved in assisting the Colombian Armed Forces in fighting the terrorist groups, especially not at the expense of the counternarcotics programs, but to provide the means for more effective

intelligence gathering and fusion, and to provide the flexibility to the

Department of State when the distinction between counternarcotics and

is] ~~counterterrorism are~~ not clear cut. The managers direct the Secretary of State to report to the Committees on Appropriations not later than 90 days after enactment of the changes in United States policy, including new procedures and operations, as a result of implementing the expanded authorities.

The conference agreement includes House language that provides that the expanded authority shall cease to be effective if the Secretary of State has credible evidence that the Colombian Armed Forces are not conducting vigorous operations to restore government authority and human rights in areas under the effective control of paramilitary and ~~guerrilla~~ organizations. [guerrilla]

This provision is not included in the Senate amendment.

The managers note the requirement in the Act that the Secretary of State, in consultation with the Administrator of U.S. Agency for International Development, shall provide to the Committees on Appropriations not later than 45 days after the date of the enactment of this Act and prior to the initial obligation of funds appropriated under this heading, a report on the proposed uses of all funds under this heading on a country-by-country basis for each proposed ~~program~~, project, or activity.

This report is similar to the report required in the fiscal year ~~2000~~ emergency

supplemental appropriations act and is required again in fiscal year 2003 given the managers' disappointment in the level of pertinent information included in the Department of State's Congressional Budget Justification and congressional notifications.

Additionally, the conference agreement does not include Senate language making all funds under this heading subject to notification. The House bill did not include this language. The managers note that in section 520 } ~~515~~, all funds provided for Colombia are subject to notification.

The conference agreement continues current caps on the number of United States military personnel and United States civilian contractors in Colombia, as well as the current prohibition on participation by such persons in combat operations in connection with assistance made available by this Act.

The conference agreement again includes conditions on the aerial spraying of herbicide, similar to the Senate amendment, to ensure that any use of such chemicals is consistent with the Colombian Environmental Management Plan, with Environmental Protection Agency regulations, and to ensure that chemicals used in the aerial fumigation of coca do not pose unreasonable health or safety risks to humans or the environment. The managers intend and expect that every reasonable precaution will be taken in

the aerial fumigation program to ensure that the exposure to humans and the environment in Colombia meets Environmental Protection Agency standards for comparable use in the United States.

Additionally, the managers direct the Secretary of State to submit a report to the Committees on Appropriations, not later than 90 days after enactment of this Act, describing (1) the steps the Department of State is taking to enhance environmental safeguards of the fumigation program, including implementing the recommendations of the Environmental Protection Agency in the fiscal year 2002 fumigation report; (2) the Department's plan to conduct an independent, long-term program to monitor the health and environmental effects of the fumigation program, including conducting soil and water tests in areas sprayed, toxicity tests on the spray formulation, and ground verification missions to evaluate over-spray; and (3) steps taken to implement environmental training programs for fumigation pilots.

The conference agreement includes the House language prohibiting funds for the resumption of flights in support of a Peruvian air interdiction program until a system of enhanced safeguards are in place. The Senate did not address this matter.

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The conference agreement provides that not less than \$5,000,000 from funds under this heading or under the heading "Foreign Military Financing" should be made available to support a Colombian Armed Forces unit dedicated to apprehending the leaders of paramilitary organizations. The Senate amendment included similar language but made the provision of funds mandatory. The House did not address this matter. The managers believe that the capture of these individuals, for which there are numerous outstanding arrest warrants, could contribute significantly to reducing atrocities against civilians by these terrorist organizations as well enhancing public confidence in the Colombian Government's ability to protect public safety.

The conference agreement provides that not less than \$1,500,000 should be made available for vehicles, equipment, and other assistance for the human rights unit of the Procurador General, instead of language proposed by the Senate that provides that not less than \$2,000,000 shall be made available for such assistance. The House did not address this matter.

Additionally, the conference agreement provides that not less than \$3,000,000 should be made available for software and training for the Colombian National Police. The Senate amendment included similar

language but made the provision of funds mandatory. The House did not address this matter.

The conference agreement provides that not less than \$3,500,000 shall be made available for the Colombian National Park Service. This language is identical to the provision in the Senate amendment. The House did not address this matter. The managers endorse Senate report language regarding this issue.

The managers endorse the language in the House report directing that the Department of State immediately terminate its inter-agency agreement with the Department of Justice and transfer remaining funds to the U.S. Agency for International Development for development, rule of law, and humanitarian assistance programs.

The conference agreement makes available \$15,680,000 for administrative expenses of the Department of State as proposed by the House instead of \$14,800,000 as proposed by the Senate.

Migration and Refugee Assistance

The conference agreement ~~appropriates~~ \$787,000,000 for Migration and Refugee Assistance as proposed by the Senate, instead of \$800,000,000 as proposed by the House. The conference agreement makes available

\$16,565,000, for administrative expenses as proposed by the Senate instead of \$16,000,000 as proposed in the House.

The conference agreement also includes language from the Senate amendment that provides not less than \$60,000,000 for refugees from the former Soviet Union and Eastern Europe and other refugees resettling in Israel. The House addressed this matter in the House report.

The conference agreement does not include Senate language providing that funds should be made available to international organizations for assistance for refugees from North Korea. However, the managers remain concerned with the plight of these refugees and expect that funding will be provided to safeguard the human rights and dignity of North Korean refugees and asylum seekers. The managers also expect that funds will be made available for assistance for those Burmese exiles who have fled to Thailand. The managers strongly encourage the State Department to consult on an ongoing basis with the appropriate Thai authorities, including through the establishment of a working group, to determine how best to assist these exiles.

United States Emergency Migration and Refugee Assistance Fund

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The conference agreement appropriates \$26,000,000 for the U.S. Emergency Migration and Refugee Assistance Fund (ERMA), instead of \$20,000,000 as proposed by the House and \$32,000,000 as proposed by the Senate.

The conference agreement does not include language included in the Senate amendment that provides the funds notwithstanding section 2(c)(2) of the Migration and Refugee Assistance Act of 1962. Section 2(c)(2) would limit appropriated funds to this Fund if, when added, would cause the balance of the fund to exceed \$100,000,000.

Nonproliferation, Anti-terrorism, Demining and Related Programs

The conference agreement appropriates \$306,400,000 as proposed by the Senate instead of \$347,400,000 as proposed by the House.

The managers intend that funds in this account be allocated as follows:

(\$ in thousands)

Nonproliferation and Disarmament Fund	\$15,000
Export control and border security assistance	36,000
Science Centers/BW redirection	52,000
International Atomic Energy Agency	52,900

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CTBT Monitoring System	17,300
Korean Peninsula Economic Development	
Organization (KEDO) administrative expenses	5,000
Anti-terrorism assistance	64,200
Terrorist Interdiction Program	5,000
Demining	46,000
International Trust Fund for Demining	10,000
Small arms destruction	3,000
<hr/>	
Total	306,400

The conference agreement includes a reduction of \$900,000 from the budget request for the Comprehensive Nuclear Test Ban Treaty (CTBT) Preparatory Commission monitoring system based on revised information from the Department of State. The managers have been informed that the amount of \$17,300,000 will fully fund the United States contribution to the CTBT Preparatory Commission for fiscal year 2003. The conference agreement does not contain House language requiring a report to the Committees on Appropriations 15 days prior to the obligation of funds for

the Commission. Also, it does not contain Senate language mandating a specified level of funding for the Commission.

The conference agreement includes Senate language restricting the use of assistance for the Korean Peninsula Energy Development Organization (KEDO). The President is authorized to waive this restriction in section 562 to provide up to \$5,000,000 for assistance for administrative expenses only. To the extent these funds are not programmed for KEDO, they should be reprogrammed for support for the International Atomic Energy Agency.

The conference agreement includes Senate language authorizing not to exceed \$675,000 for administrative expenses associated with the demining program. The House bill did not address this matter. The conference agreement does not contain Senate language stating that \$57,000,000 should be used for demining and related activities; however, the managers support \$56,000,000 for these purposes, as identified above.

The conference agreement contains language similar to that of the Senate amendment that authorizes not to exceed \$250,000 for the support of public-private partnerships for mine action by grant, cooperative agreement, or contract. The managers direct that the State Department provide a financial plan for the use of these funds to the Committees on

Appropriations prior to the use of this authority. The House bill did not address this matter.

The conference agreement does not contain Senate language providing that \$4,000,000 should be available to support the Small Arms Destruction Initiative; however, the managers support \$3,000,000 for this purpose, as identified above.

Department of the Treasury

International Affairs Technical Assistance

The conference agreement provides \$10,800,000 for the International Affairs Technical Assistance program of the Department of the Treasury, instead of \$11,000,000 as proposed by the House, and \$10,500,000 as proposed by the Senate.

The managers support the efforts of the Department of the Treasury, International Affairs Technical Assistance, to assist nations in their efforts to reduce financial crimes and corruption by strengthening those governmental systems. The Department of the Treasury has been providing technical assistance for over a decade to nations facing economic disruption due to systemic weaknesses, post conflict crises, terrorist influences, or criminal practices. The managers urge the Department of the Treasury to continue its current technical assistance program and to strengthen its law enforcement

program with additional resident and intermittent advisors. The Committee further directs the Department of the Treasury to manage its technical assistance program in accordance with its own policies and to report to the Committees on Appropriations in the House and Senate on the status of its efforts.

The managers endorse the language of the House report with respect to the International Affairs Technical Assistance program.

TITLE III -- MILITARY ASSISTANCE
International Military Education and Training

Funds Appropriated
to the President

The conference agreement does not include language proposed by the Senate that would have prohibited funds for travel or other purposes that do not directly expose the individual participants to government officials or institutions or to other individuals or organizations engaged in activities involving public policy. The House bill did not address this matter. The managers are aware that the Department of Defense is in the process of issuing revised guidance on the Information Program to address issues related to this provision. The managers request that the Department maintain its consultations with the Committees on this guidance.

Guatemala

The conference agreement provides that funding for ~~Algeria~~ and Nigeria shall be subject to the regular notification procedures of the Committees on Appropriations. ~~The House bill did not address this matter.~~

The managers expect that, consistent with the letter sent to the Congress by the Assistant Secretary of State for Legislative Affairs, the Committees on Appropriations will be consulted prior to the obligation of funds for an Indonesian IMET program.

The conference agreement does not include a Senate provision directing the Department of Defense to maintain a record of students that

complete the IMET program for at least six years after graduation. The House bill did not address this matter. The managers note that the Office of Management and Budget has identified shortcomings in procedures to evaluate the performance of the IMET program. The managers have addressed this matter by including a general provision (section 581) requiring the Secretary of State to submit a report to the Committees on Appropriations which describes the progress being made in improving performance evaluation procedures for the IMET program and implementing section 548 of the Foreign Assistance Act.

Foreign Military Financing Program

(Including transfer of funds)

The conference agreement appropriates \$4,072,000,000 as proposed by the Senate instead of \$4,080,200,000 as proposed by the House.

The conference agreement includes Senate language providing for the early disbursement of funds for Israel (as well as certain funds for Egypt) within 30 days of enactment. The House bill included this language, along with language that provided for disbursement of funds for both countries by October 31, 2002, whichever was later.

The conference agreement does not include Senate language that would have provided not less than \$198,000,000 for assistance for Jordan. The House bill did not address this matter. The managers note that these funds have already been obligated for assistance for Jordan.

The conference agreement does not contain language from the Senate amendment that would have mandated not less than \$3,000,000 for Armenia. The managers expect the full IMET and FMF funding requests for Armenia will be provided in fiscal year 2003, and that a portion of the FMF funds should be used to enhance communications capabilities. The House bill did not address this matter.

The conference agreement provides that up to \$93,000,000 of the funds appropriated under this heading may be transferred to "Andean Counterdrug Initiative" for helicopters, training and other assistance for the Columbian Armed Forces, rather than up to \$88,000,000 as proposed by the Senate. The House bill would have authorized the transfer of up to \$98,000,000 for this purpose to "International Narcotics Control and Law Enforcement".

The managers endorse Senate report language regarding the contents of the Foreign Military Training Report, including information on training activities by civilian contractors.

The managers endorse Senate report language regarding projects in the southern Philippines and increased Foreign Military Financing assistance to the Philippines.

Peacekeeping Operations

The conference agreement appropriates \$115,000,000 instead of \$120,250,000 as proposed by the Senate and \$125,000,000 as proposed by the House.

The conference agreement does not include Senate language providing that \$7,000,000 should be made available for Afghanistan. The House bill did not address this matter.

The conference agreement does not include Senate language providing that not less than \$50,000,000 should be made available for Africa Regional Peacekeeping Operations and the Africa Crisis Response Initiative. The House bill did not address this matter. However, the managers are concerned that adequate funding be maintained for peacekeeping operations in Africa, and endorse the House and Senate report language on this issue. The managers recommend up to \$45,000,000 for such activities.

TITLE IV--MULTILATERAL ECONOMIC ASSISTANCE

International Financial Institutions

Global Environment Facility (GEF)

*Funds Appropriated
to the President*

The conference agreement appropriates \$147,812,533 for the Global Environment Facility as proposed by the House instead of \$177,812,533 as proposed by the Senate. The managers intend for \$107,500,000 of this amount is for the scheduled United States contribution to the third replenishment of the GEF, and \$40,312,533 for past payments due.

Contribution to the International Development Association

The conference agreement appropriates \$850,000,000 for the International Development Association (IDA), the concessional lending facility of the World Bank, instead of \$874,338,333 as proposed by the House and \$837,338,333 as proposed by the Senate. The managers intend that the appropriation be made available to fully provide for the first scheduled payment under the United States commitment to the thirteenth replenishment of IDA.

The managers have not included Senate language requiring the Secretary of the Treasury to accord a high priority in the next replenishment of IDA to provide new grant assistance to HIPC-eligible countries given that a grants agreement was included in the IDA-13 replenishment.

Contribution to the Multilateral Investment Guarantee Agency

The conference agreement appropriates \$1,631,000 for paid-in capital for the Multilateral Investment Guarantee Agency (MIGA), the amount provided in the Senate amendment, instead of \$1,630,696 as proposed by the House bill. The managers intend for the appropriation to be provided for past payments due by the United States to MIGA. Approval for a subscription to the appropriate amount of callable capital is also included in the conference agreement.

Contribution to the Inter-American Investment Corporation

The conference agreement appropriates \$18,351,667 for a United States contribution to the Inter-American Investment Corporation as proposed by the Senate, instead of \$30,351,667 as proposed by the House.

Contribution to the Enterprise for the Americas Multilateral Investment Fund

The conference agreement appropriates \$24,590,667 for past due payments by the United States to the Multilateral Investment Fund as proposed by the House, instead of \$29,590,667 as proposed by the Senate.

Contribution to the Asian Development Fund

The conference agreement provides \$97,886,133 for the United States contribution to the Asian Development Fund as proposed by the House, instead of \$100,386,133 as proposed by the Senate.

Contribution to the African Development Fund

The conference agreement appropriates \$108,073,333 for the African Development Fund as proposed by the Senate, instead of \$113,073,333 as proposed by the House.

Contribution to the European Bank for Reconstruction and Development

The managers endorse Senate report language regarding the European Bank for Reconstruction and Development.

International Organizations and Programs

The conference agreement provides \$195,150,000 for voluntary contributions to International Organizations and Programs instead of \$190,400,000 as proposed by the House and \$215,000,000 as proposed by Senate.

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The conference agreement retains Senate language which provides \$500,000 for a contribution to the International Coffee Organization (ICO) if the United States rejoins the ICO by June 1, 2003. The House bill did not address this matter. The conference agreement also provides that these funds should be made available for a contribution to the United Nations Center for Human Settlements (UNHABITAT), if the United States does not rejoin the ICO by this date. These funds are to be in addition to other funds made available for UNHABITAT under this heading. The Senate bill provided \$1,000,000 for UNHABITAT. The House did not address this matter.

The managers do not have a position on rejoining the ICO but urge the administration to consult with the Committees on Appropriations in the House and Senate concerning a decision on ICO membership.

The managers support the efforts of UNHABITAT to improve the lives of destitute slum dwellers in developing countries. The managers note that UNHABITAT has recently been revitalized through a successful restructuring that has met United States Government criteria for reform.

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The managers have provided \$11, ~~200~~,000 for the United Nations Environment Program (UNEP), an increase of \$~~200~~,000 over the fiscal year 2002 level. The managers recognize UNEP's ~~important~~ role in addressing global environmental problems, and believe United States support for UNEP is necessary to achieve important U.S. environmental objectives. However, the managers are very concerned that UNEP's inefficient governing process impedes ~~its~~ its effectiveness and must be reformed, if UNEP is to continue to receive significant U.S. support in meeting the world's increasingly complex environmental challenges.

The managers intend that funds in this account be allocated as follows:

(\$ in thousands)

UN Fund for Tech. Cooperation in Human Rights	\$ 1,500
UN Voluntary Fund for Victims of Torture	1,000 5,250
OAS Fund for Strengthening Democracy	3,500
UNDP	100,000
UNIFEM	1,000
OAS Development Assistance	5,500
WTO	2,000
ICAO Aviation Programs	300
UNEP	1,000 11,000
Montreal Protocol	23,000
International Conservation Programs (CITES/ITTO/IUCN/Ramsar/CCD)	6,500
IPCC/UNFCCC	6,000
International Contributions for Scientific Educational & Cultural Activities	1,850
World Meteorological Organization	2,000
International Coffee Organization	500

UN Center for Human Settlements	250
Reserve to be allocated	25,000
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Total	195,150

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TITLE V--GENERAL PROVISIONS

(NOTE: If House and Senate language is identical except for a different section number or minor technical differences, the section is not discussed in the Statement of Managers.)

Sec. 503. Limitation on Residence Expenses

The conference agreement sets a limitation of \$100,500 for USAID official residence expenses as proposed by the Senate, instead of \$126,500 as proposed by the House.

Sec. 505. Limitation on Representational Allowances

The conference agreement sets a limitation of \$125,000 on representation allowances from funds appropriated ~~under "Foreign Military~~ ~~Financing Program"~~ as proposed by the Senate, instead of \$95,000 as proposed by the House.

for
USAID

Sec. 507. Prohibition Against Direct Funding for Certain Countries

The conference agreement includes language similar to that included in the Senate amendment regarding assistance for Iraq. The House bill did not include such a provision.

(61)

The conference agreement provides that assistance or other financing under this Act or under prior foreign operations, export financing, and related programs appropriations Acts may be provided for Iraq notwithstanding the provisions of this section or any other provision of law, including comparable provisions contained in prior foreign operations, export financing, and related programs appropriations Acts, if the President determines that the provision of assistance or other financing for Iraq is important to the national security interests of the United States. Such assistance or financing would be subject to the regular notification procedures of the Committees on Appropriations, except that notifications shall be transmitted at least 5 days in advance of obligations of funds. In addition, the conference report requires the President to report to the Committees on Appropriations on the status of the allocation, obligation and expenditure of such funds not later than every 60 days during fiscal year 2003, beginning on March 1, 2003. Each report shall include information on programs, projects, and activities that are being funded or will be funded with such assistance or financing, and the departments and agencies responsible for managing each such program, project, and activity. The authority to provide assistance for Iraq will expire on the date of enactment of the first subsequent supplemental appropriations Act for fiscal year 2003

humanitarian and relief assistance for

made available for Iraq

that contains supplemental funding for appropriations accounts contained in this Act. ~~It is the intention of the managers that this authority not be used inside Iraq prior to any military action against Iraq or, in the absence of military action, prior to a change of regime in Iraq.~~

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Sec. 509. Transfers Between Accounts

The conference report includes House language on this matter. The new provisions of this section would prohibit transfers to any department, agency, or instrumentality of the United States unless specifically authorized in this Act, except for certain transfers authorized by provisions of the Foreign Assistance Act. The managers note that a limit on transfers from the Child Survival and Health Programs Fund is included under that heading. In addition, transfers under section 632(a) of the Foreign Assistance Act shall expressly provide that the Inspector General for the agency receiving the transfer shall perform periodic program and financial audits, and allows for the cost of such audits to be covered by the transfer.

Sec. 512. Countries in Default

The conference agreement includes House language that prohibits assistance to the government of any country in default on U.S. bilateral

It is the intention of the managers that this authority not be used inside Iraq, except for assessments of humanitarian and relief needs by private or nongovernmental organizations, prior to any military action against Iraq or, in the absence of such action, prior to a change of regime in Iraq. The limitation of the waiver to humanitarian and relief assistance is not intended to preclude assistance for the promotion of democracy or governance if the goal of such assistance is the maintenance of social services and public order. The managers expect that funds drawn from accounts in this Act under this waiver will be promptly reimbursed through supplemental funding.

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loans. The Senate amendment included less restrictive provisions. This matter is addressed in the Statement of the Managers under the heading "Export-Import Bank".

Sec. 515. Notification Requirements

The conference agreement reflects a technical change proposed by the House to include "Capital Investment Fund" in the list of accounts that are subject to notification pursuant to this section. The Senate did not address this matter.

Sec. 520. Special Notification Requirements

The conference agreement adds "Serbia" as proposed in the Senate amendment to the list of countries subject to the special notification procedures of this section, but does not include "Haiti" and "Nigeria" as recommended by the Senate. The managers note that IMET assistance for Nigeria is subject to notification under a provision in title III of this Act.

Sec. 521. Definition of Program, Project and Activity

The conference agreement restates current law regarding the definition of program, project and activity, instead of Senate language limiting the definition.

Sec. 522. Child Survival and Health Activities

The conference agreement authorizes USAID to use up to \$13,500,000 from the "Child Survival and Health Programs Fund" and up to \$3,000,000 from "Development Assistance" for technical experts from other government agencies, universities, and other institutions. The managers have decreased this authority in order to accelerate the shift to USAID direct hire personnel of responsibility for implementation and oversight of USAID's expanded infectious disease and basic education activities.

The conference agreement provides that not less than \$446,500,000 shall be made available for reproductive health/family planning activities from funds appropriated by this Act, including \$368,500,000 from the Child Survival and Health Programs Fund, \$15,000,000 from Assistance to the Independent States of the Former Soviet Union, and \$63,000,000 from other accounts such as the Economic Support Fund, International Disaster Assistance, Assistance to Eastern Europe and the Baltic States, and Migration and Refugee Assistance.

65

Sec. 523. Afghanistan

The conference agreement provides that not less than \$295,500,000 of the funds appropriated by title II shall be made available for humanitarian and reconstruction assistance for Afghanistan, as proposed by the House.

The Senate amendment proposed not less than \$213,000,000 for Afghanistan from titles II and III. Of this amount, not less than \$5,000,000 is for multi-service women's resource centers in Afghanistan.

activities supported by the Afghan Ministry of Women Affairs, including

The managers intend that funds provided under this section be allocated as follows:

(\$ in thousands)

Child Survival and Health Programs Fund	50,000
Development Assistance	40,500
International Disaster Assistance	85,000
Transition Initiatives	10,000
Economic Support Fund	50,000
Nonproliferation, Anti-terrorism, etc (NADR)	5,000
USAID Operating Expenses	[9,350]
USAID IG Operating Expenses	[500]
Migration and Refugee Assistance	55,000

Total

295,500

The conference agreement does not include a Senate provision that not less than \$1,500,000 should be made available for the National Human Rights Commission of Afghanistan. However, the managers recognize the critical need for timely and credible investigations of the full range of human rights violations in Afghanistan and expect USAID to continue to support the Commission.

The conference agreement does not include Senate language requiring a report by the Secretary of State that details women's development programs in Afghanistan supported by the United States Government, and barriers that impede women's development in Afghanistan. However, the managers request the Secretary to submit such a report, not later than 90 days after enactment of this Act, including proposed United States assistance programs and activities to overcome such barriers.

Sec. 525. Authorization Requirement

The conference agreement includes language that provides that funds appropriated by this Act may be obligated and expended notwithstanding

section 10 of Public Law 91-672 and section 15 of the State Department Basic Authorities Act of 1956, as provided in the House bill and the Senate amendment. It includes House language exempting the account "Peace Corps" and Senate language exempting the accounts "Trade and Development Agency," "Migration and Refugee Assistance", "Nonproliferation, Anti-Terrorism, Demining and Related Programs", "International Military Education and Training" and "Foreign Military Financing Program" from these waivers.

Sec. 526. Democracy Programs

The conference agreement contains language in subsection (a) that provides not less than \$15,000,000 shall be made available for activities to support democracy, human rights, and the rule of law in the People's Republic of China, Hong Kong, and Tibet. Of these funds, not less than \$9,000,000 shall be provided through the Human Rights and Democracy Fund of the Bureau of Democracy, Human Rights and Labor, Department of State and not less than ~~\$3,000,000~~ shall be provided through the National Endowment for Democracy. In addition, subsection (a) authorizes funding of not to exceed \$3,000,000 for nongovernmental organizations to support activities that preserve cultural traditions and promote sustainable

development and environmental conservation in Tibetan communities in the Tibetan Autonomous Region and in Tibetan communities in China. In addition, funds should be made available for Taiwan for the purposes of furthering political and legal reforms to the extent that they are matched from sources other than the United States Government. In addition, the conference report provides not less than \$15,000,000 for programs and activities to foster democracy, human rights, civic education, women's development, press freedoms, and the rule of law in countries with a significant Muslim population, and where such programs and activities would be important to United States efforts to respond to, deter, or prevent acts of international terrorism. Not less than \$3,000,000 of these funds should be made available for programs and activities that provide professional training for journalists. Of the funds for Muslim countries, not less than \$7,000,000 shall be provided through the Human Rights and Democracy Fund of the Bureau of Democracy, Human Rights and Labor, Department of State and not less than \$5,000,000 shall be provided through the National Endowment for Democracy. In addition, funds are authorized for the advancement of democracy and human rights in Iran.

Funds provided in this section for the Human Rights and Democracy Fund are in addition to the \$12,000,000 budget request for said Fund in

fiscal year 2003. In addition, the conference agreement includes language requiring a report from the Secretary of State with 120 days of enactment on the allocation, obligation, and expenditure of funds made available for the National Endowment for Democracy. The Senate amendment would have required the obligation and disbursement of such funds within 90 days of enactment of this Act.

Of the \$12,000,000 in base funds for the Human Rights and Democracy Fund, the managers direct that \$1,000,000 be provided (within 120 days of enactment) for the Reagan/Fascell Program, and \$250,000 be provided for the North Korean human rights and democracy program as identified in the Senate amendment under "Economic Support Fund".

All funds provided under this section are subject to the regular notification procedures of the Committees on Appropriations.

Sec. 527. Prohibition on Bilateral Assistance to Terrorist Countries

The conference agreement includes House language on this matter, which prohibits funds to any country that the President determines is supporting terrorism. The Senate ~~amendment~~ would have prohibited funds to the government of any such country.

Sec. 528. Debt for Development

The conference agreement includes House language on this matter. The Senate amendment would have authorized the use of appropriated funds for endowments.

Sec. 533. Impact on Jobs in the United States

The conference agreement modifies the scope of this section with respect to internationally recognized worker rights as described in section 507 of the Trade Act of 1974, as contained in the Senate amendment. The House bill did not address this matter.

Sec. 534. Special Authorities

The conference agreement includes House language providing certain authority for assistance for Lebanon and Montenegro, and Senate language on authority for assistance for Afghanistan, assistance to victims of trafficking, and assistance to combat trafficking. The conference agreement does not include House language, not in the Senate amendment, that would have authorized assistance for Cambodia under section 541 of the Foreign Assistance Act notwithstanding certain other restrictions contained in this

Act. In addition, it does not contain language from the Senate amendment, not in the House bill, that would subject assistance for Cambodia to the provisions of section 531(e) of the FAA and section 906 of the International Security and Development Cooperation Act of 1985. Those provisions have the effect of permanent law, and the Senate language is therefore unnecessary.

The managers have reduced current authority for certain bureaus and offices in USAID to hire personal service contractors, continued existing authority for USAID to provide support for administrative costs of a program to provide information regarding available donated space on commercial ships to organizations shipping humanitarian assistance, and provides for expanded authorities under section 660(b)(6) of the Foreign Assistance Act of 1961.

The conference agreement includes Senate language deleting a requirement that the Secretary of the Treasury provide certain annual reports. The House did not address this matter.

Sec. 535. Arab League Boycott of ~~Israel~~

The conference report includes Senate language on this matter, except that the "Sense of the Congress" rather than the "Sense of the Senate" is

invoked. Among other things, the language calls upon the Arab League states to normalize relations (including the reinstatement of ambassadors by the three Arab League nations with relations with Israel) with Israel. The House bill contained current law on this matter.

Sec. 537. Eligibility for Assistance

The conference agreement consolidates current language regarding assistance to non-governmental organizations in certain countries as proposed by the Senate. The House bill did not change current law.

Sec. 543. Prohibition on Assistance to Foreign Governments that Export Lethal Military Equipment to Countries Supporting International Terrorism

The conference agreement reflects the House language that includes a technical correction not included in the Senate amendment.

Sec. 544. Withholding of Assistance for Parking Fines Owed by Foreign Countries

The conference agreement allows 110% of the total amount of unpaid parking fines determined to be owed by foreign countries to the District of Columbia and New York City, New York, to be withheld from obligation

percent

for assistance to such country, as proposed by the Senate. The language is similar to that proposed by the House.

Sec. 546. War Crimes Tribunals Drawdown

The conference agreement includes House and Senate language authorizing up to \$30,000,000 in drawdowns of commodities or services for war crimes tribunals. The conference agreement includes House language that specifies that any drawdown made under this section shall not be construed as an endorsement or precedent for the establishment of any standing or permanent international criminal tribunal or court. The Senate amendment did not address this matter.

Sec. 549. Prohibition of Payment of Certain Expenses

The conference agreement includes Senate language, not in the House bill, that adds theatrical and musical productions to the list of activities prohibited under this section.

Sec. 550. Restrictions on Voluntary Contributions to United Nations Agencies

The conference agreement is similar to the House bill but deletes the certification requirement. The Senate did not address this matter.

Sec. 551. Caribbean Basin

The conference agreement makes certain purchases of defense articles and services available to the Haitian Coast Guard but does not include House language, not in the Senate amendment, requiring that such transfers be subject to notification.

The conference agreement provides that not less than \$52,500,000 should be allocated for assistance to Haiti from funds in title II of this Act and food assistance fund managed by USAID. This provision is identical to language in the House bill and was not included in the Senate amendment.

Additionally, the conference agreement includes identical language as included in the House bill that provides that out of funds in title II of this Act, \$37,680,000 should be allocated for Nicaragua and \$40,130,000 should be allocated for Honduras. The Senate did not address this matter.

Sec. 554. Protection of Tropical Forests ~~and~~ Biodiversity *and*

The conference agreement includes language directing that USAID should make available \$145,000,000 for programs and activities that directly

protect biodiversity. The managers strongly support these efforts and expect these funds to be used to protect tropical forests, including support of projects to deter illegal logging in Indonesia, Central Africa and elsewhere, and other threatened biologically diverse areas, both terrestrial and marine. Of this amount, up to \$40,000,000 may be available for the subsidy cost of modifying loans and loan guarantees, pursuant to the provisions of the Tropical Forest Conservation Act of 1998. The managers commend the Administration for its Congo Basin Initiative and expect full funding to be made available for the Central African Regional Program for the Environment.

Forest

Sec. 555. Energy Conservation, Energy Efficiency and Clean Energy Programs

The managers support programs that conserve energy and promote efficient energy production and distribution in developing countries. The conference agreement provides that \$175,000,000 should be made available for these programs.

clean
and

This section also requires the Executive Office of the President to submit an updated and revised annual government-wide report on federal activities and costs relating to climate change and greenhouse gas emissions.

The House bill did not address this matter.

Sec. 556. Zimbabwe

The conference agreement is the same as current law and is identical to the Senate amendment. The House did not address this matter.

Sec. 557. Nigeria.

The conference agreement includes language similar to that of the Senate amendment that restricts the use of IMET and FMF for Nigeria until the President certifies to the Committee on Appropriations that certain specified Nigerian officials are suspending from the Armed Forces those members, of whatever rank, against whom there is credible evidence of gross violations of human rights in Benue State in October 2001, and the Government of Nigeria and the Nigerian Armed Forces are taking effective measures to bring such individuals to justice. The President may waive such prohibition if he determines that doing so is in the national security interest of the United States. Prior to exercising such waiver authority, the President is required to submit a report to the Committees on Appropriations describing the involvement of the Nigerian Armed Forces in the incident in Benue State, the measures that are being taken to bring such individuals to justice, and whether any Nigerian Armed Forces units

involved with the incident in Benue State are receiving United States assistance. The managers expect the Department of State will consult with the Committees on Appropriations on the form the report will take.

Sec. 558. Burma.

The conference agreement includes a modified version of the Senate's provision on the use of the Economic Support Fund in Burma and along the Burma-Thailand border, and, in addition, a House provision, similar to language in prior year Acts, regarding independent media activities promoting democracy inside Burma.

The managers deplore the failure of Burma's State Peace and Development Council (SPDC) to resume dialogue with ~~the~~ Daw Aung San Suu Kyi and the National League for Democracy, and urge the immediate release of all prisoners of conscience in Burma. The managers continue to expect that United States Government programs and activities conducted inside Burma, including HIV/AIDS programs, will be carried out in consultation with the leadership of the National League for Democracy.

The managers note the systematic abuse of human rights by the SPDC, especially in campaigns of violence against Burmese minorities, including rape of girls and women and forced evacuations of villages. These

campaigns have displaced an estimated one million persons inside of Burma and an equal number in neighboring countries.

In order to expand the provision of health services to displaced Burmese, including those who live in appalling conditions outside of refugee camps in Thailand, the managers expect that \$1,000,000 will be provided to continue to support efforts to combat HIV/AIDS inside of Burma, and that not less than \$1,000,000 will be provided to support efforts to limit malaria and infectious diseases among Burmese along the Burma-Thailand border. These funds are to be made available under the heading "Child Survival and Health Programs Fund" in this Act, and are in addition to the amounts provided under this section.

The managers request that within 120 days of enactment of the Act, the Administrator of USAID, in consultation with the Department of State, provide a report to the Committees on Appropriations that describes the estimated number and condition of displaced persons inside Burma and Burmese refugees, exiles, or migrant workers in Thailand and proposes steps that the United States Government could take, working with other donors and not providing direct support to the SPDC, to address the root causes of this crisis and to better provide for the humanitarian needs of displaced Burmese.

The managers recommend that up to \$500,000 be made available to support a new initiative inside Burma that utilizes the expertise of the leadership of the National League for Democracy (NLD) in determining and addressing the urgent needs of the people of Burma. The managers recommend that the State Department consult with the NLD on the development of this initiative, and request to be regularly updated on its progress.

Sec. 560. Cambodia.

The conference agreement includes House language providing that the Secretary of the Treasury should instruct U.S. executive directors of international financial institutions to oppose loans to the Central Government of Cambodia, except loans to support basic human needs. The Senate amendment would have mandated such instructions. In subsection (b), the conference agreement contains language similar to that of the Senate amendment that prohibits assistance for the Central Government of Cambodia, except that this provision does not apply to assistance for basic education, reproductive and maternal and child health, cultural and historic preservation, and for the Ministry of Women and Veterans Affairs to combat human trafficking, and for certain assistance provided through

nongovernmental organizations. The House bill restricted assistance except for basic education and assistance provided under "Child Survival and Health Programs Fund".

In subsection (c), the conference agreement provides that up to \$5,000,000 may be made available, notwithstanding the above restriction, for activities to support democracy, including democratic political parties in Cambodia. In subsection (d), the conference agreement provides that \$3,750,000 of the funds made available in this Act shall be made available, notwithstanding the above restriction, as a contribution for an endowment to sustain rehabilitation programs for Cambodians suffering from physical disabilities that are administered by an American nongovernmental organization that is directly supported by USAID. Such funds may be made available only if an amount at least equal to one-half the United States contribution is provided for the endowment from sources other than the United States Government. The managers endorse the Senate report language regarding this issue. The House bill did not address these matters.

The managers condemn the recent riots in Cambodia, and are concerned with the ~~Cambodian Government's~~ failure to protect foreign embassies and foreign-owned businesses in ~~Phnom Penh~~. The managers note that in a statement issued on February 6, 2003, the State Department

stated that the United States was "particularly concerned by indications that the government is using the situation to target the political opposition and independent media". The managers request that within 60 days of enactment of this Act, the Secretary of State report to the Committees on Appropriations on the complicity of the Cambodian Government in the riots (including an explanation of the failure of Cambodian authorities to respond to the riots in a timely and effective manner), and steps taken by the governments of Thailand and Cambodia to credibly investigate the riots. The managers encourage the administration to continue to forcefully and publicly condemn election-related violence and intimidation in the run up to the July parliamentary elections.

Sec. 562. Korean Peninsula Energy Development Organization

S) The conference agreement includes language similar to that of the Senate amendment that prohibits funding for the Korean Peninsula Energy Development Organization (KEDO), except for up to \$5,000,000 for administrative expenses if the President determines that it is vital to the national security interests of the United States. Such funding is subject to notification. The House bill would have limited funding for KEDO to \$50,000,000 only for administrative expenses and heavy fuel oil costs

associated with the Agreed Framework. In addition, the House bill required several certifications by the President prior to the obligation of funding for KEDO.

Section 563. Palestinian Statehood

The conference agreement includes House language that prohibits funding to support a Palestinian state unless the Secretary of State makes certain determinations, including: a new leadership of a Palestinian governing entity has been democratically elected through credible and competitive elections; the elected governing entity has demonstrated a firm commitment to peaceful co-existence with Israel; is taking appropriate measures to counter terrorism; and is establishing a new Palestinian security entity that is fully cooperative with appropriate Israeli and other appropriate security organizations; and the Palestinian Authority or its successor is working with other countries in the region to vigorously pursue efforts to establish a just, lasting, and comprehensive peace in the Middle East, including normal relations between Israel and an independent Palestinian state in a number of areas. It ~~also expresses~~ the sense of the Congress that the newly elected governing entity should enact a constitution assuring the rule of law, an independent judiciary, respect for human rights, and other

laws and regulations assuring transparent and accountable governance. This section also includes a waiver of the restrictions herein based on national security interests of the United States, and exempts assistance to the Palestinian Authority and affiliated institutions, or a newly elected governing entity, in order to help meet the requirements of this section, consistent with the provisions of section 552 of this Act. The Senate amendment contained language similar to the House bill on this matter.

Section 564. Colombia

The conference agreement includes a modified version of the House and Senate provisions on conditioning funds for Colombian Armed Forces.

Sec. 567. Iraq

The conference agreement includes language similar to that in the House bill, which provides that funds from the Economic Support Fund may be made available for programs benefiting the Iraqi people and to support efforts to bring about political transition in Iraq. The conference agreement also includes language that provides that none of the funds made available pursuant to the authorities provided in this section may be made available to any organization to reimburse or pay for costs incurred by such organization

in prior fiscal years. Funds would be subject to the regular notification procedures of the Committees on Appropriations.

Sec. 568. West Bank and Gaza Program

The conference report includes House language on this matter. It contains prior year language (also in the Senate amendment) requiring the Comptroller General of the United States to certify that procedures have been established to assure access to appropriate financial information in order to review the uses of funds provided for the West Bank and Gaza Program of the Economic Support Fund. In addition, the language requires the Secretary of State to take all appropriate steps to ensure that assistance is not provided to entities or individuals that advocate, plan, sponsor, engage in, or have engaged in, terrorist activity. Finally, the language requires annual audits of all contractors and grantees, and significant subcontractors and subgrantees. Up to \$1,000,000 is authorized to be made available to the Inspector General of the United States Agency for International Development for audits, inspections, and other activities in furtherance of this provision.

Sec. 569. Indonesia

The conference agreement includes language similar to that of the Senate amendment on this matter. It would allow assistance for Indonesia appropriated under "Foreign Military Financing Program" and licenses for export of lethal defense articles for the Indonesian military only if the President certifies that the Government of Indonesia and the Indonesian Armed Forces are taking certain measures, including suspending from the Armed Forces those members, of whatever rank, who have been credibly alleged to have committed gross violations of human rights, or aided or abetted militia groups, as well as prosecuting those members and punishing them, if they have been found to have committed such acts. In addition, the language requires the President to certify that the Indonesian Armed Forces are cooperating with civilian prosecutors and judicial authorities in such cases, including providing access to witnesses, relevant military documents, and other requested information. Finally, the language requires the President to certify that the Minister of Defense is making publicly available audits of receipts and expenditures of the Indonesian Armed Forces. The House bill included similar language, but did not address the issue of export licenses for lethal defense articles.

Sec. 570. Restrictions on Assistance to Governments Destabilizing Sierra Leone

The conference agreement includes a provision identical to the House bill that prohibits assistance to any government for which the Secretary of State has credible evidence that such government has aided or abetted, within the previous six months, in the illicit distribution, transportation, or sale of diamonds mined in Sierra Leone. The language is similar to the Senate amendment.

Sec. 572. Contributions to the United Nations Population Fund

The managers note that \$34,000,000 appropriated for the United Nations Population Fund (UNFPA) in P.L. 107-115 has not been obligated due to a determination by the Secretary of State in July 2002 that UNFPA's program in the People's Republic of China was in violation of the Kemp-Kasten amendment. The conference agreement provides that these prior year funds, and an equivalent amount from this Act, shall be made available to UNFPA if the President ~~determines~~ that UNFPA is no longer in violation of the Kemp-Kasten amendment. The conference agreement also contains a prohibition on the use of United States funds in China as well as all other restrictions in current law.

Sec. 573. Procurement and Financial Management Reform

The conference agreement includes House language withholding 10 percent of the funds made available for international financial institutions until the Secretary of the Treasury certifies that a number of procurement and financial management reforms are being implemented. The Senate did not address this matter.

Sec. 574. Central Asia

The conference agreement includes the identical provision included in the Senate amendment that conditions the assistance to the Government of Uzbekistan unless the Secretary of State determines and reports that the Government of Uzbekistan is making progress and meeting commitments of the Declaration of Strategic Partnership. The House addressed this matter in title II.

The conference agreement includes a provision similar to the Senate provision related to human rights and democracy in Central Asia, but adds a national security interest waiver for the Secretary of State with regard to assistance for Kazakhstan. The managers urge the Secretary to pursue an agreement with the Government of Kazakhstan similar to the Declaration on

the Strategic Partnership and Cooperation Framework signed by the United States and the Government of Uzbekistan addressing democracy, human rights and other matters of mutual interest.

The conference agreement contains a provision similar to the Senate amendment requiring the Secretary of State to submit periodic reports on the provision of defense articles and financial assistance to the countries of Central Asia. The House did not address this matter.

Sec. 576. War Criminals

The conference agreement contains language similar to that in both the House bill and Senate amendment regarding war criminals in the Balkans.

Sec. 577. User Fees

The conference agreement includes the Senate language that expands the current law restriction requiring the Secretary of Treasury to instruct the U.S. Executive Directors to oppose any loan, grant strategy or policy that would require user fees on ~~poor~~ people for primary education or healthcare in connection with the institutions' financing programs. The House provision reflected current law.

Sec. 578. Funding for Serbia

The conference agreement contains current law on this matter, except that the provisions of this section affect assistance for Serbia after June 15 of this year, rather than after March 30 as in the fiscal year 2002 appropriations Act. In addition, technical modifications have been inserted to refer to a successor state to the Federal Republic of Yugoslavia (FRY).

The House bill would have applied the provisions of this section to assistance for the governments of Serbia and the FRY. The Senate bill would have imposed certain additional requirements on the FRY beyond those in current law.

Sec. 579. Prohibition on Taxation of United States Assistance

The conference agreement contains language similar to that of the House bill that provides that none of the funds appropriated in this Act may be made available to provide assistance for a foreign country under a new bilateral agreement governing the terms and conditions under which such assistance is to be provided unless such agreement includes a provision stating that commodities purchased with assistance provided by the United States shall be exempt from taxation, or reimbursed, by the foreign

government, and the Secretary of State shall expeditiously seek to negotiate amendments to existing bilateral agreements, as necessary, to conform with this requirement. The language also requires that, of the funds appropriated by this Act that are allocated for assistance for a foreign country and for the West Bank and Gaza Program, an amount equivalent to 200 percent of the total taxes assessed during fiscal year 2003 against United States assistance programs by a foreign government or entity, either directly or through grantees, contractors and subcontractors, shall be withheld from assistance for such country or entity in fiscal year 2004 to the extent that the Secretary of State certifies and reports in writing to the Committees on Appropriations that such taxes have not been reimbursed to the Government of the United States. Foreign taxes of a de minimis nature are not ~~be~~ subject to these reimbursement provisions. Of the funds withheld from obligation for each country or entity pursuant to this section, one-half may become available for reprogramming for other purposes (pursuant to section 515 of this Act and consistent with the purposes for which such funds were originally appropriated) and one-half shall be deposited in the General Fund of the Treasury on, or within 5 days after, ~~September 1, 2004~~. The language also requires the Secretary of State to issue rules, regulations, or policy guidance, as appropriate, to implement the prohibition against the taxation of

assistance contained in this section. The Senate amendment did not address this matter.

Sec. 580. GAO Report

The conference report contains language similar to that of the House bill that requires a report from the Comptroller General to the Committees on Appropriations no later than November 1, 2003, on the extent to which the Department of State is complying with section 301(c) of the Foreign Assistance Act and on the implementation of procedures that have been established to meet the standards of the Department of State regarding compliance with the requirements of said section. This audit shall review the implementation of procedures by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) regarding this provision of law. The conference agreement does not include language from the House requiring a report from the Secretary of State on this matter, but the managers are agreed that the Secretary shall comply with the requirements of the House bill in this regard.

Sec. 582. Community-Based Police Assistance

The conference agreement includes language similar to the Senate language authorizing use of certain USAID-administered funds in title II of this Act for support for civilian police in Jamaica and El Salvador, but not Indonesia as included in the Senate amendment, notwithstanding section 660 of the Foreign Assistance Act. The House did not address this matter.

Sec. 583. Overseas Private Investment Corporation and Export-Import Bank Restrictions

The conference agreement includes a provision identical to the Senate amendment and current law and prohibits the use of funds by OPIC and Export-Import Bank from financing investments in connection with a project involving the mining, polishing or other processing, or sale of diamonds in a country that fails to implement the recommendations, obligations and requirements developed by the Kimberley Process or taking measures that the Secretary of State determines to contribute effectively to preventing and eliminating the trade in conflict diamonds.

Sec. 584. Trade Capacity ~~Building~~

The conference agreement includes a ~~provision~~ identical to the House bill that provides that not less than \$452,000,000 should be made available

for trade capacity building assistance from the Trade and Development Agency, Development Assistance, Transition Initiatives, ESF, International Affairs Technical Assistance, and International Organizations and Programs accounts. The Senate did not address this matter.

Sec. 585. Transparency and Accountability

The conference agreement includes Senate language requiring the Secretary of State to submit a report concerning the public disclosure of revenues from extractive industries and other sources by governments of countries that receive United States assistance. The House did not address this matter. The managers endorse the Senate report language regarding this issue.

Sec. 586. American Churchwomen and Other Citizens in El Salvador and Guatemala

The conference agreement contains Senate language on this matter. The House bill contained similar language.

PROVISIONS NOT ADOPTED BY THE CONFEREES:

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The conference agreement does not include section 549 of the Senate amendment regarding "Tibet" urging U.S. Executive Directors to International Financial Institutions to support certain types of projects in Tibet. The House bill did not address a similar provision. The managers are aware of concerns raised by the Department of the Treasury about this provision, however, the managers strongly support the intent of this provision and expect to be consulted prior to votes in the International Financial Institutions on projects in Tibet.

The conference report does not include section 554 of the House bill regarding "Discrimination Against Minority Religious Faiths in the Russian Federation." The Senate did not include this provision.

The conference report does not include section 555 of the House bill regarding "Assistance for the Middle East." The Senate amendment did not address this matter.

The conference report does not include section 565 of the House bill regarding "Briefings on Potential Purchases of Defense Articles or Defense

Services by Taiwan." The Senate did not address this matter. This matter is addressed in permanent law.

The conference report does not include section 578 of the Senate bill regarding "Excess Defense Articles for Central and Southern European Countries and Certain Other Countries." The House did not address this matter. These authorities already exist for fiscal year 2003.

The conference report does not include section 579 of the House bill "Tropical Forest Conservation." The text of this provision is included in section 554 "Protection of Biodiversity and Tropical Forests."

The conference report does not include section 580 of the House bill regarding "Authorizations". The Senate amendment did not address this matter.

The conference report does not include section 581 of the House bill and section 580 of the Senate amendment regarding Cuba.

The conference agreement does not include section 583 of the Senate amendment regarding "Regional Democracy Programs for East Asia and the Pacific." The House did not address this matter.

The conference agreement does not include section 585 of the Senate amendment extending the prohibition of oil and gas drilling in the Great Lakes of the United States. The House bill did not address this matter.

The conference agreement does not include section 586 of the Senate amendment regarding the "Sense of the Senate with Respect to North Korea". The House did not address this matter.

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CONFERENCE TOTAL--WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 2003 recommended by the Committee of Conference, with comparisons to the fiscal year 2002 amount, the 2003 budget estimates, and the House and Senate bills for 2003 follow:

New budget (obligational) authority, fiscal year 2002.....	\$	16,586,780
Budget estimates of new (obligational) authority, fiscal year 2003.....		16,492,896
House bill, fiscal year 2003.....		16,594,574
Senate bill, fiscal year 2003.....		16,474,739
Conference agreement, fiscal year 2003.....		16,345,186
Conference agreement compared with:		
New budget (obligational) authority, fiscal year 2002.....		-241,594
Budget estimates of new (obligational) authority, fiscal year 2003.....		-147,710
House bill, fiscal year 2003.....		-249,388
Senate bill, fiscal year 2003.....		-129,553

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